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## Canada

### Solid Wood Products

# Trade Minister Pettigrew Expresses Dismay at Final U.S. Softwood Lumber Decision 2002

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#### **Report Highlights:**

International Trade Minister Pierre Pettigrew announced that the decision against Canadian softwood lumber was not unexpected, given the "protectionist nature of U.S. softwood lumber decisions." Canada will conduct an immediate review regarding possible challenges to today's United States International Trade Commission (ITC) Final Determination that Canadian softwood lumber exports posed a threat of injury to U.S. industry. A decision to challenge the ITC's Final Determination by the Government of Canada would complement ongoing challenges of U.S. law and practice at the World Trade Organization and under the North American Free Trade Agreement.

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**PETTIGREW EXPRESSES DISMAY AT FINAL U.S. LUMBER DECISION**

According to a press release from the Canadian Department of Foreign Affairs and International Trade, International Trade Minister Pierre Pettigrew announced that Canada will conduct an immediate review regarding possible challenges to today's United States International Trade Commission (ITC) Final Determination that Canadian softwood lumber exports posed a threat of injury to U.S. industry.

"This decision was not unexpected, given the protectionist nature of U.S. softwood lumber decisions," said Minister Pettigrew. "But that doesn't make it any less damaging. It's hard to understand how the U.S. Commission found threat of injury given the stable Canadian share of the U.S. market, the strong U.S. lumber market and U.S. industry profitability."

In a 4 to 0 vote, the ITC today found that Canadian softwood lumber exports represent a threat of injury to U.S. lumber producers. This means that bonds and cash deposits posted by Canadian softwood lumber companies prior to May 16 should, as in the past, be refunded. Cash deposits for estimated duties will have to be made for all softwood lumber exports following the anti-dumping and countervailing duty orders, expected by May 23, 2002.

"U.S. industry has never been able to sustain its subsidy and injury allegations," added Minister Pettigrew. "This decision is very damaging for our industry. Unfair and punitive duties will come into effect later this month. We will look hard at this newest decision and determine next steps, as soon as the Commission provides its reasons."

As a result of this determination, no provisional duty measures will be imposed by the U.S. Department of Commerce. All bonds posted will be canceled and cash deposits made prior to May 16 will be refunded by the U.S. Customs Service eliminating over \$760 million in contingent duty liabilities being carried by Canadian lumber producers.

A decision to challenge the ITC's Final Determination by the Government of Canada would complement ongoing challenges of U.S. law and practice at the World Trade Organization and under the North American Free Trade Agreement.

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